

Development of 2002-04 Budget Recommendation: Trust Funds

The 1998-2000 biennium featured the use of a new funding mechanism -- Strategic Investment and Incentive Trust Funds. The 1998 General Assembly appropriated funds to six trust funds. The 2000 General Assembly continued its commitment to reform and appropriated funds to the original six trust funds and established two additional trust funds, the Adult Education and Literacy Trust Fund and the Science and Technology Trust Fund. The council staff proposes two types of funding recommendations for the 2002-04 trust funds: base adjustments (transfer of funds) and requests for additional funds.

Base Adjustments

Transfer of 2000-02 trust fund appropriations. The 2000 General Assembly permanently transferred some of the 1998-2000 trust funds to the institutions effective July 1, 2000. The transfers included funds for the programs of distinction at the comprehensive universities and the research challenge programs at the University of Kentucky and the University of Louisville. The council staff suggests that some of the 2000-02 trust fund appropriations likewise be transferred to the institutions. The permanent transfer of funds allows the institutions to plan for recurring costs, such as salaries.

The staff suggests that the 2001-02 Enrollment Growth and Retention Program funds be transferred to the institutions, if earned. The staff further suggests that any unearned funds be transferred to a new Enrollment Growth and Retention Trust Fund. The unearned funds could then be distributed to eligible institutions in accordance with the 2002-04 trust funds guidelines. The staff also suggests that the Action Agenda funds and the Workforce Training funds be transferred to the institutions.

According to state budget procedures, debt service for state bonds will be transferred from the trust funds to the Finance and Administration Cabinet. Debt service was appropriated in 2001-02 for the following programs and will be transferred out of postsecondary education's base budget.

	2001-02 <u>Debt Service</u>
Technology Initiative Trust Fund:	
Equipment Replacement	\$3,800,000
Physical Facilities Trust Fund:	
Capital Renewal and Maintenance	\$3,018,100
Renovation, Replacement, and Infrastructure	\$10,436,000
New Construction	\$7,446,000

Transfer of 2001-02 pass-through program funds to the trust funds. The federal Experimental Program to Stimulate Competitive Research (EPSCoR) was initiated by the National Science Foundation in 1978 to encourage long-term improvements in states' science and engineering enterprises. EPSCoR requires state matching funds which have previously been included as a pass-through program in the council's budget. The council staff recommends that the Kentucky EPSCoR funds, which totaled \$2,626,200 in 2001-02, be transferred from the pass-through programs to the Science and Technology Trust Fund because of the program's direct relationship to New Economy initiatives.

Continuation funding. For several programs, the council staff is treating the 2001-02 base funding appropriations as recurring funds in each year of the 2002-04 biennium. A list of these programs follows.

	<u>Continuation Funding</u>
Research Challenge Trust Fund:	
Lung Cancer Research Program	\$6,080,000
Adult Education and Literacy Trust Fund	\$11,768,000
Science and Technology Trust Fund:	
Research and Development	\$3,000,000
Commercialization	\$750,000
Regional Technology Service	\$500,000

Requests for Additional Funds

The council staff is contemplating the following requests for additional funds for the 2002-04 trust funds.

Endowment Match Program. The Endowment Match Program is funded through the Research Challenge Trust Fund and the Regional University Excellence Trust Fund. The program received surplus General Funds of \$110 million in 1998-99 and \$120 million in 2000-01. The staff recommends that the state fund a third round of 'Bucks for Brains' by issuing \$120 million of bonds. The bond proceeds would be matched dollar-for-dollar by the institutions.

The staff recommends that the bond proceeds be allocated in the same manner as the 2000-01 Endowment Match Program funds:

- \$67 million to the University of Kentucky.
- \$33 million to the University of Louisville.
- \$20 million allocated to each comprehensive university based on its share of net state general fund appropriations.

The council subcommittee reviewing the Endowment Match Program guidelines is expected to submit revised guidelines to the council in February 2002. The council staff may recommend that the revised guidelines apply to any remaining Endowment Match Program funds as well as to any new funds.

Administrative Information Systems. The Postsecondary Education Workforce Development Trust Fund assists the Kentucky Community and Technical College System to improve and expand Kentucky workforce skills. For 2000-02, the council requested \$2 million annually for the KCTCS to continue implementation of administrative information systems. The 2000 General Assembly provided \$4 million in the first year of the biennium with the stipulation that the funds would be transferred to the KCTCS on a pro-rata basis over the 2000-02 biennium. In addition, the 2000-02 Budget of the Commonwealth states that "it is anticipated that the budget for this item in the next biennial budget will be adjusted to reflect a recurring appropriation of \$2 million annually." The council staff recommends such a request.

Technology Initiative Trust Fund. This trust fund is the most broadly drawn of the six original strategic initiative and investment trust funds. Four programs were funded in 2000-02: equipment replacement, network infrastructure, public communications campaign, and faculty development. The council staff is considering recommending additional funding requests for equipment replacement and network infrastructure. The staff is also considering recommending that the faculty development funds not be continued. The proposed requests for additional funds are discussed below.

Equipment replacement. The equipment replacement program provides funds to the institutions for replacing or upgrading instructional and research equipment. The program received debt service on a \$20 million seven-year bond issuance in 2001-02. The bond proceeds were allocated proportionally to the institutions based on their 1998-99 actual unrestricted instruction and research expenditures. The staff suggests that the council request debt service for another \$20 million bond issuance for 2002-04.

The council generally establishes guidelines for distributing trust funds to the institutions. According to the *Points of Consensus*, the council is to establish these guidelines, including the allocation methods and any required matching funds, prior to submitting the 2002-04 budget recommendation. Draft guidelines for the equipment replacement program are presented in Attachment A.

Network Infrastructure. Postsecondary education is dependent on high-speed, high bandwidth networks for the transmission of information. Students access classes through high-speed networks and access electronic databases through the Web. The Kentucky Information Highway and the companion Kentucky Postsecondary Education Network need expansion. The current

limited bandwidth impairs efforts to transmit video and Web-based instruction. The program received \$1.2 million in 2001-02. The staff suggests that these funds continue and that an additional \$1 million for network infrastructure be provided in 2003-04.

Capital Renewal and Maintenance. The Capital Renewal and Maintenance Program in the Physical Facilities Trust Fund establishes an effective program to renew and maintain institutional facilities. The program provides matching dollars to reduce deferred maintenance backlogs and to address long-range facility renewal needs. Research by the National Association of College and University Business Officers and the Association of Physical Plant Administrators shows that colleges and universities are deferring approximately \$4 of needed maintenance for each \$1 spent. Institutions should invest in deferred maintenance and facility renewal by spending approximately 2.5 percent to 3 percent of its facility replacement value annually.

In 2000-02, the program received \$3.018 million to support debt service for a \$30 million bond issuance. The staff suggests that another \$30 million bond issuance be requested for 2002-04 to further reduce the backlog of capital renewal and deferred maintenance projects.

The bond proceeds could be distributed to the institutions based on educational and general square footage of their campuses. The 2000-02 Capital Renewal and Maintenance Program funds were distributed using a similar process. The institutions would match the bond proceeds. Draft guidelines for the 2002-04 program are presented beginning in Attachment B.

Student Financial Aid. The Student Financial Aid and Advancement Trust Fund is funded from the net lottery revenues and includes the Kentucky Educational Excellence Scholarship program (KEES). In addition to KEES, the lottery revenues help fund the state's need-based program, the College Access Program, the Kentucky Tuition Grants Program for students attending private institutions, the council's public communications campaign, as well as other programs. The allocation of the lottery revenues is defined in KRS 154A.130.

Currently, the lottery revenues are estimated to be \$158 million for each year of the 2002-04 biennium. Based on the statutory allocations, there may be \$49.6 million available for KEES and the other identified programs in 2002-03 and \$62 million in 2003-04. The KEES and other program expenditures are estimated to total \$63.5 million in 2002-03 and \$79.6 million in 2003-04. Thus, the estimated lottery revenue shortfalls are \$13.8 million in 2002-03 and \$17.6 million in 2003-04. The staff's suggested funding recommendation will be based on the estimated cost of KEES and the other programs, including the Kentucky National Guard Tuition Assistance and the public communications campaign.

Rural Innovation Fund. The Rural Innovation Fund is included in the Science and Technology Trust Fund. The program enables small, rural Kentucky-based firms to partner with postsecondary institutions to undertake research and development to create entrepreneurial businesses.

The 2000 General Assembly was able to appropriate \$1 million in 2000-01 for the program but did not have the fiscal capacity to appropriate any funds for 2001-02. The 2000-02 budget bill (HB 502) includes language that any unspent Rural Innovation Fund dollars remaining at the end

of fiscal year 2001 would not lapse but would carry forward into fiscal year 2002 and be available for expenditure for the program. In addition, the Kentucky Innovation Act (HB 572) clearly contemplates that the Rural Innovation Fund will be an ongoing, recurring program. The staff recommends that the council request \$1 million annually to establish recurring funds for the program.

Engineering and Technology Education Initiatives. The council approved the “Strategy for Statewide Engineering Education in Kentucky” in July, 2000 to educate more engineers to support Kentucky’s New Economy. Since that time, joint undergraduate engineering programs have been created between the University of Kentucky and Western Kentucky University, the University of Louisville and Murray State University, and between UofL and WKU. First-year funding of these programs has been provided by the council and the institutions from non-recurring sources. The council agreed to seek recurring state General Funds to partially support current and future joint engineering programs created under the statewide strategy.

Kentucky’s potential to deliver world-class research and development also depends on increasing its intellectual capacity in the area of information technology. Information technology is among the Office of the New Economy’s priority funding areas.

The staff recommends that the council request \$3 million annually for joint academic programs that support the New Economy, primarily engineering. Some funds may be used to support academic programs that produce needed professionals in information technology. The net cost of the joint programs will be shared by the Commonwealth and the institutions.

Kentucky EPSCoR. As discussed earlier, the council staff recommends that the Kentucky EPSCoR funds be transferred from the council's pass-through programs to the Science and Technology Trust Fund. In addition, the council staff recommends additional funding for the program in 2002-04.

With regard to the 2000-02 budget request, the council recommended that the Kentucky EPSCoR appropriation increase by \$2 million per year recurringly as part of the Governor's knowledge-based economy initiative. The 2000 General Assembly increased the Kentucky EPSCoR program appropriation by \$4 million nonrecurringly for 2000-01. As these funds are used for matching federal EPSCoR funds, the staff suggests that the council again request an additional \$2 million recurringly for the Kentucky EPSCoR program for 2002-04.

Enrollment Growth and Retention Trust Fund. According to the *Points of Consensus*, the council will request an Enrollment Growth and Retention Trust Fund. The amount requested is to be based on, at a minimum, the enrollment and retention goals negotiated with each institution, the benchmark-funding objective for each institution, and the differentiated costs of undergraduate and graduate instruction.

The staff suggests that the Enrollment Growth and Retention Trust Fund include the following three programs: Enrollment Growth, Retention, and System Challenge Grants. As described in the draft guidelines (see Attachment C), the enrollment funds would be allocated to the institutions based on actual fall 2002 enrollment growth (fall 2001 to fall 2002), recognize the

difference between undergraduate and graduate instructional costs, and reward increased enrollments from targeted underserved counties. The retention funds would be allocated to the institutions based on actual increases in first-time student retention rates (fall 2001 to fall 2002).

The council members have previously discussed ways to reduce inefficient competition for students between institutions, both public and independent. The staff proposes a \$300,000 System Challenge Grant Program to support successful collaboration among public and independent postsecondary institutions, the P-12 education system, and community leaders. The funds would reward regional P-16 partnerships that better prepare and enroll students in postsecondary education. To be eligible for grants, regions must have or create P-16 councils, establish goals for improving student preparation and postsecondary enrollment, and develop strategies to meet those goals. Funds will be allocated based on performance. Draft guidelines are included in Attachment C.

Teacher Quality Trust Fund. The success of reform depends on improving the preparation of Kentuckians for life and work and on insuring more Kentuckians are prepared for postsecondary education. Increasing teacher quality is essential to achieving both goals. The council staff suggests creating a Teacher Quality Trust Fund to support improvement in all academic programs that produce teachers and school leaders.

The staff suggests a \$4 million request to be distributed on a competitive proposal basis. As described in the draft guidelines (see Attachment D), the staff suggests that the council fund up to four proposals including one proposal involving an independent college. Institutions directly receiving funds must meet the ten criteria established by the General Assembly (KRS 164.097) and be certified by the Education Professional Standards Board. Institutions not meeting these criteria may participate in the program as part of a consortia led by a qualifying institution.

The council may wish to discuss any or all of these issues.

Staff preparation by Angela Martin and Bill Payne

DRAFT
Equipment Replacement Program Guidelines
2002-04

Introduction

The Equipment Replacement Program in the Technology Initiative Trust Fund will fund the debt service on a \$20 million seven-year bond issuance and to upgrade and replace instructional and research equipment. The council staff will work with the Finance and Administration Cabinet to provide the necessary documentation so that the bonds may be issued in January 2003.

The bond proceeds will be allocated proportionally to the institutions based on 2000-01 actual unrestricted instruction and research expenditures.

Use and Distribution of Equipment Replacement Program Funds

1. Each institution is to submit a list of planned equipment purchases and identify whether the equipment is for instruction or research. In addition, the institutions are to certify that:

- The institution will maintain at least its 2000-01 level of expenditures for instructional and research equipment for each year of the 2002-04 biennium.
- The institution will dispose of the replaced, obsolete instruction and research equipment.

The information is to be submitted to the council no later than August 1, 2002.

2. Institutions upgrading or replacing research equipment must match the program funds dollar-for-dollar.
 - The availability of research equipment matching funds must be certified by the institution prior to the release of the program funds.
3. The council will review the lists of planned equipment purchases and recommend action to the Secretary of the Finance and Administration Cabinet.
4. Instruction and research equipment shall have an average useful life of no less than five years.

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CAPITAL RENEWAL AND MAINTENANCE
PROGRAM GUIDELINES
2002-04

Introduction

The Council on Postsecondary Education recommends that the Capital Renewal and Maintenance Program in the Physical Facilities Trust Fund receive debt service in 2003-04 for a \$30 million bond issuance to reduce deferred maintenance backlogs and address long-range facility renewal needs. The bond proceeds will be matched by the institutions. As in previous biennia, the council staff will work with the Finance and Administration Cabinet to provide the necessary documentation so that the bonds may be issued in January 2003.

The bond proceeds will be distributed to the institutions based on their educational and general square footage. The 2000-02 Capital Renewal and Maintenance Program funds were distributed using a similar process.

Use and Distribution of Capital Renewal and Maintenance Program Funds

1. Bond proceeds will be matched at varying rates by the institutions based on their efforts to maintain existing facilities. As shown on the following schedule, the matching rates are based on the average useful life of capital renewal and maintenance projects completed from 1990 to 2000. Including the required institutional match, \$53.9 million in capital renewal and deferred maintenance projects will be funded. Eligible matching funds can include agency, private, or federal funds. Capital renewal projects completed as part of an energy performance contract will not qualify as matching funds.
2. The availability of matching funds must be certified by the institution prior to the release of the program funds.
3. By August 1, 2002, each institution will submit a list of requested projects to be funded with the state bonds and the required institutional match. Requested projects must be included in the institution's 2002-08 capital plan submitted to the Capital Planning Advisory Board and the council. Any project costing \$400,000 or more must be listed in the enacted 2002-04 Budget of the Commonwealth.

The council will act on the institutions' proposals and report that action to the Secretary of the Finance and Administration Cabinet for approval.

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Enrollment Growth and
Retention Trust Fund Guidelines
2002-04

Introduction

The Enrollment Growth and Retention Trust Fund supports increased enrollment and retention in Kentucky's postsecondary education institutions. The council, in conjunction with the institutions, established enrollment and retention targets that will be used in measuring progress toward increased educational attainment. These goals reflect the *2001-2006 Action Agenda* and House Bill 1 initiatives to reach national averages in educational attainment by 2020.

The council's 2002-04 operating recommendation includes a \$25.3 million appropriation to the Enrollment Growth and Retention Trust Fund in 2003-04.

Objectives

The 2002-04 Enrollment Growth and Retention Trust Fund:

- Supplements the existing benchmark funding approach.
- Provides institutions funding to support increased undergraduate and graduate enrollments.
- Rewards institutions for increasing enrollment of undergraduate students from targeted underserved counties.
- Rewards institutions for achieving retention goals.
- Encourages cooperation among local P-16 organizations.

Allocation of 2003-04 Funds

The Enrollment Growth and Retention Trust Fund will have separate pools for enrollment growth, retention, and a system challenge grant program. The amount of each pool is based on assigning \$300,000 to the system challenge grant program, and then allocating 45 percent of the remaining funds to enrollment growth and 55 percent to retention. Based on a total request of \$25.3 million, each pool would be funded as follows:

Enrollment Growth	\$ 11,250,000
Retention	13,750,000
System Challenge Grants	<u>300,000</u>
Trust Fund Total	<u>\$ 25,300,000</u>

Distribution of 2003-04 Funds

Enrollment Growth

- Enrollment funds will be distributed proportionately to the public institutions based on enrollment growth (increase between fall 2001 and fall 2002 actual headcount enrollment) and per student funding objectives. This approach allows for distribution amounts to be calculated in January 2003, or about six months before the program funds become available. Institutions will, therefore, be able to include the funds in the development of their 2003-04 operating budgets.
- Differences in the costs of providing undergraduate and graduate instruction will be reflected by adjusting the benchmark funding objectives by cost factors obtained from the *1997-98 Education Cost Study* conducted by the Washington State Higher Education Coordinating Board (March 2000). These cost factors are listed below.

Research Universities	
Undergraduate students	0.8021
Graduate students	2.2907
Comprehensive Universities	
Undergraduate students	0.9792
Graduate students	1.3648
KCTCS and LCC	
Undergraduate students	1.0000

For example, if a comprehensive institution's benchmark funding objective equals \$7,000, then its per student funding objectives would be \$6,854 for undergraduate students ($\$7,000 \times .9792$) and \$9,554 for graduate students ($\$7,000 \times 1.3648$). The product of these funding objectives and enrollment growth figures form the basis for distribution of enrollment growth funds.

- Institutions will be rewarded not only for overall undergraduate and graduate enrollment growth, but also for enrolling larger numbers of undergraduate students from targeted underserved counties. This will be accomplished by increasing each institution's undergraduate student funding objective by 10 percent for target county enrollment

Attachment C

growth. For example, if a comprehensive institution's undergraduate funding objective equals \$6,854, the objective used to fund growth in the number of undergraduate students from target counties would equal \$7,539 (\$6,854 x 1.10).

- The distributed enrollment funds will be recurring to the institutions.
- Enrollment growth funds will be distributed on a quarterly basis beginning July 1, 2003.

Retention

- Retention funds will be distributed to the institutions based on their progress toward achieving their fall 2002 retention goals. For example, if an institution meets 80 percent of their retention goal, it will receive 80 percent of their allocated funds. Retention funds will be allocated among the public institutions based on actual fall 2002 undergraduate student headcount.
- Retention is measured by the number of first-time, degree-seeking freshmen (full-time and part-time undergraduate students) that return a year later to the same institution (fall 2001 to fall 2002).
- The distributed retention funds will be recurring to the institutions.
- Retention funds will be distributed on a quarterly basis beginning July 1, 2003.
- Biennial retention goals were established for each institution as part of the 2001-2006 *Action Agenda*. These goals are listed below.

Retention Rates of First-Time Freshmen Fall-to-Fall Three-Year Average

	Actual		Goal		
	2000	2001*	2002	2003	2004
Eastern Kentucky University	62.6%	--	63.6%	64.8%	66.0%
Kentucky State University	63.7%	--	64.7%	65.7%	66.7%
Morehead State University	61.7%	--	63.5%	64.4%	65.4%
Murray State University	69.8%	--	70.8%	71.3%	71.8%
Northern Kentucky University	63.3%	--	65.0%	65.8%	66.6%
University of Kentucky	79.2%	--	79.5%	80.0%	80.5%
University of Louisville	70.2%	--	72.2%	73.2%	74.2%
Western Kentucky University	67.9%	--	69.1%	69.7%	70.3%
Lexington Community College	62.0%	--	63.0%	63.0%	63.0%
KCTCS	53.5%	--	55.2%	56.0%	56.8%

* Available January 2002.

System Challenge Grant Program

- The System Challenge Grant Program rewards regional P-16 partnerships among public and independent colleges, P-12 schools, and communities that better prepare students for, and enroll students in, postsecondary education. To be eligible for grants, regions must have or create P-16 councils, establish goals for improving student preparation and postsecondary enrollment, and develop strategies to meet those goals. Funds will be allocated based on performance.
- System Challenge Grants will be awarded to regional P-16 councils developing programs that help:
 - Increase the college-going rate of GED completers and high school graduates.
 - Reduce the percentage of adults with less than a high school diploma or GED.
 - Raise the number of students taking the ACT.
 - Raise the scores of students taking the ACT.
 - Increase the number of AP or college level courses per 100 high school juniors and seniors.
 - Increase the percentage of high school students taking the pre-college curriculum or the ACT core coursework.
 - Improve student performance on the CATS high school assessment.
- P-16 councils shall submit proposals outlining their plans and proposed goals no later than December 31, 2002. Proposals should define measurable goals consistent with the objectives of the program. The amount of the award will be based on the number and nature of the proposals received.
- Awards will be granted to P-16 councils meeting their goals. Funds will be allocated to the designated fiscal agent of the regional P-16 council. Funds will be awarded July 1, 2004.

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Teacher Quality Trust Fund Guidelines
2002-04

Introduction

The success of postsecondary education reform in Kentucky depends on improving the preparation of Kentuckians for life and work and ensuring more Kentuckians are prepared for postsecondary education. Increasing teacher quality is essential to achieving both goals. The Teacher Quality Trust Fund will support improvement in teacher education programs for teachers and school leaders who prepare students for postsecondary education.

The 2002-04 Teacher Quality Trust Fund supports improvements in teacher education programs that:

- Improve learning for P-12 students.
- Reduce the gap in learning for economically disadvantaged and minority students.
- Address teacher and school leader shortages in Kentucky.
- Improve retention of teachers in the profession.
- Increase the ethnic and racial diversity of teachers and school leaders.
- Involve the entire university in the preparation of teachers and school leaders.
- Increase the discipline-based knowledge of teachers.
- Better prepare teachers to teach special needs students.
- Create effective P-16 partnerships.
- Respond to the recommendations of the state P-16 Council's mathematics and literacy alignment teams.
- Provide education and professional development to early childhood providers.
- Prepare professionals in other fields who want to teach.

Allocation of 2003-04 Funds

Four million dollars will be available for distribution in 2003-04. The council will fund up to four proposals, one involving an independent college or a consortium including an independent college. Institutions directly receiving funds must meet the ten criteria established by the General Assembly (KRS 164.097) and be certified by the Education Professional Standards Board. Institutions not meeting these criteria may participate in the program as part of a consortia led by a qualifying institution. Funds are recurring to the trust fund. Multi-year proposals are permitted but continued funding will be based on evaluation of results.

Distribution of 2003-04 Funds

The council staff, in consultation with national experts, will review institutional proposals. These experts also will be available to assist in the development of proposals. Proposals must include quantified goals and evaluation measures to assess success. Proposals must be submitted no later than December 1, 2002. Multi-institutional proposals are encouraged. Funds will be distributed on a quarterly basis beginning July 1, 2003. Institutions will submit a program evaluation by September 1, 2004, based on the goals and measures provided in the original proposal. Multi-year proposals must submit a progress report by January 1, 2004.

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Engineering and Technology
Education Initiative Guidelines
2002-04

Introduction

The Engineering and Technology Education program supports expansion of academic programs to better prepare more Kentuckians to participate in the New Economy. The council requests \$3 million annually within the Science and Technology Trust Fund primarily to fund joint engineering programs started by the University of Kentucky, the University of Louisville, and Western Kentucky University and by the University of Louisville and Murray State University.

The council approved the "Strategy for Statewide Engineering Education in Kentucky" July 17, 2000, to prepare more engineers throughout the state. Since that time, four joint undergraduate engineering programs have been established. The funds will support these and subsequent joint engineering programs under the guidelines of the statewide strategy. Some part of the fund also may support the creation of academic programs to increase the number of information technology specialists in the state.

Objectives

Successful program proposals will meet the following objectives:

- Increase the number of engineering and information technology workers employed in Kentucky.
- Provide significant (at least 40 percent) matching funds from participating institutions.
- Employ the KYVU and other distance learning to increase access.
- Include activities to increase the number of students entering engineering or information technology programs, especially women and minority students.

Allocation of Funds

Requests for engineering funding should be for joint programs offered by a comprehensive university and either the University of Kentucky or the University of Louisville. They should conform to the principles outlined in the Kentucky "Strategy for Statewide Engineering Education." The Kentucky Community and Technical College System, independent colleges, and P-12 schools may be partners in proposals.

Requests for funding for information technology academic programs must address the objectives outlined above. Collaborative proposals are encouraged. Proposals must include a public university. The Kentucky Community and Technical College System, independent colleges, and P-12 schools may be partners in proposals.

Eligible engineering and information technology academic programs include baccalaureate, post-baccalaureate, and professional development programs.

Distribution of Funds

Programs will be eligible for funding beginning in 2002. Funding amounts will be based on submission of detailed proposals. Funding will be recurring.

Programs seeking funding beginning in 2002 should be submitted to the council for review by May 30, 2002. Successful proposals will receive funds on a quarterly basis. If funds are available after the first allocation, the council will accept proposals seeking funding for 2003 through December 1, 2002.

Participating institutions should submit an annual report providing enrollment, retention, graduation, and employment data for students.